



## FOR EMPLOYER USE ONLY

### HOLD HARMLESS AGREEMENT

In consideration of the Governing Board of \_\_\_\_\_ having adopted the CalSTRS 403(B) Program, a tax-sheltered program for its employees established under Internal Revenue Code (the "Code") section 403(b), the California State Teachers' Retirement System (the "Company"), hereby declares as follows:

The Company shall through its authorized representatives, provide for purchase by the Governing Board for its employees only annuities and shares in a regulated investment company complying with the provisions of Public Law 87-370, as amended, Section 403(b) of the Code, Section 17512 of the California Revenue and Taxation Code, and any other pertinent present or future Federal or State Law. Such annuities and shares shall be available for purchase by the Governing Board for any legally eligible employee electing to participate.

The Company reserves the right upon thirty (30) days written notice to the Governing Board to terminate this Agreement, but such termination shall in no manner affect any liability of the Company incurred prior to such termination.

The Company, its agents and representatives, shall comply with all pertinent written directives regarding the solicitation of employees of the Governing Board and the purchase of tax-sheltered annuities or shares in a regulated investment company.

The Company shall hold harmless and indemnify the Governing Board, the School District, their officers and employees, and the Superintendent of Schools of the \_\_\_\_\_ and his/her employees, from every claim, demand and suit in law or equity, including those based upon negligence of the Governing Board, the District, their officers and employees, and the Superintendent of Schools of the \_\_\_\_\_ and his/her employees (the "Indemnified Person or Persons"), which may be made by reason of the purchase of annuities or shares in any regulated investment company in accordance with the terms of the CalSTRS 403(b) Program. The Company, at its own cost, expense and risk, shall defend any legal proceedings that may be brought against any indemnified Person or Persons and shall satisfy any judgment rendered against any of them in conjunction with said Company's tax-sheltered plans. The Company's obligations under this paragraph shall commence upon deposit in the United States register or certified mail of a written notice of the claim, demand or legal proceedings addressed to the authorized agent named herein. The Company shall be relieved of any and all obligation with respect to a particular claim or demand for which indemnification is provided in this paragraph, unless the Company has been notified in writing by the School District, its officers or employees of receipt of such claim or demand within fifteen (15) days after such receipt.

The Company warrants that the Investment Companies are regulated investment companies within the meaning of Section 403(b)(7)(C) and 851(a) of the Code, are described as regulated investment companies in their current prospectuses declared effective under the Securities Act of 1933, are eligible for investments for 403(b) custodial accounts, and are registered for sale with the Securities Commissioner of the State of California.

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The Company additionally agrees to indemnify and hold harmless any Indemnified Person from any claim arising from federal tax liability resulting from contributions in excess of the maximum exclusion allowance under Internal Revenue Code section 403(b) or the dollar limitation on salary reduction contributions under Internal Revenue Code 402(g) of \$10,000 as adjusted from time to time. This indemnification, concerning the maximum exclusion allowance and dollar limitation calculation, shall apply solely with respect to participants who provide complete, accurate, and timely information as deemed necessary by State Street Bank and Trust Company to calculate such maximum exclusion allowance and salary reduction contributions.

If any of the Investment companies should no longer be a regulated investment company, or permitted to offer for sale investments under the securities laws of the United States or the State of California, the Company will inform the Employer and immediately cease accepting investments in that Investment company.

Notwithstanding the indemnification and hold harmless agreement set forth herein, Company shall not be held liable for nor hold harmless any Indemnified Person or Persons from the claim, demand of loss suffered as the result of:

- 1) any activity of said Indemnified Person or Persons which shall be deemed criminal in nature under applicable State and/or Federal Law; or
- 2) the failure of the investment of said funds to meet the financial expectations of the investments performance; or
- 3) willful misconduct and/or fraud in the maintenance of records, collection of funds or transmittal of funds to State Street Bank or such entity engaged under contract with Company to provide administrative services under the 403(b) program.

Payments for the purchase of annuities or shares in a regulated investment company under the CalSTRS 403(b) Program shall be sent to the Company's authorized agent.

No alteration in or variation to the terms of the contract shall be valid unless made in writing and signed by the parties hereto.

This agreement shall become effective upon execution by the Employer and the Company.

\_\_\_\_\_  
Authorized Officer of the Employer

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Authorized Officer of the Company

Title: \_\_\_\_\_

Date: \_\_\_\_\_